

# MCE HOLDINGS BERHAD

Registration No. 201501033021 (1158341-K)  
(Incorporated in Malaysia)

MINUTES of the 8<sup>th</sup> Annual General Meeting (“8<sup>th</sup> AGM”) of the Company duly convened and held at the Diamond 1, Level 10, Holiday Villa Johor Bahru City Centre, No. 260, Jalan Dato’ Sulaiman, Taman Abad, 80250 Johor Bahru, Johor on Thursday, the 21<sup>st</sup> day of December 2023 at 9.30 a.m.

PRESENT : Directors  
TAN SRI ABD RAHMAN BIN MAMAT (*Chairman / Independent Non Executive Director*)  
DR GOH KAR CHUN (*Group Managing Director*)  
MR. LAW SANG THIAM (*Independent Non Executive Director*)  
MS. FONG JED SEE (*Independent Non Executive Director*)  
MR. TAI LAM SHIN (*Non Independent Non Executive Director*)  
MS. GOH ANNE (*Group Executive Director / Chief Financial Officer*)

Shareholder, Proxy and Corporate Representative

(as per Attendance Report)

BY INVITATION: MR TAN GUAN SENG (Messrs Crowe Malaysia PLT- External Auditors)  
MS IRENE JUAY YEE LUAN (*Next Secretarialworks Sdn. Bhd. - Scrutineer*)

IN ATTENDANCE: MR LEE WEE HEE AND MS HEW JING SIAN  
(*Secretaries of the Company*)

CHAIRMAN : TAN SRI ABD RAHMAN BIN MAMAT was in the chair and called the meeting to order at 9.30 a.m.

NOTICE : With the assent of all members, the Notice of 8<sup>th</sup> AGM issued on 29 November 2023 were taken as read.

QUORUM : The Secretary reported to the Meeting the number of shareholders and proxies who had signed in their attendance for the Meeting.

The requisite quorum being present, the Chairman declared the Meeting duly convened and constituted.

The Chairman then explained to the shareholders present the rules and protocols to be adhered to in relation to the conduct of procedures for the Meeting.

PROTOCOLS & VOTE PROCESS : In particular the Chairman highlighted that pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements and in exercise of his power as Chairman, all resolutions set out in the Notice of the 8<sup>th</sup> AGM are to be voted by poll.

All shareholders, corporate representative and proxies present had no objections and assented to the Chairman’s proposal that all business set out in the Agenda would be dealt with by tabling all the motions, followed by a question and answer session and thereafter the conduct of the poll voting under a single poll form for all the motions tabled.

All shareholders and proxies also had no objections and assented to the appointment of the Company's Share Registrar, Shareworks Sdn. Bhd. to act as the Poll Administrator for the poll voting to be conducted.

At the same time the Chairman informed the Meeting that the Board had engaged and appointed Ms Irene Juay Yee Luan from Next Secretarialworks Sdn. Bhd. to act as the Independent Scrutineer for the poll to be conducted.

**1. AUDITED FINANCIAL STATEMENTS**

The 1<sup>st</sup> item on the Agenda was to receive and consider the Audited Financial Statements for the financial year ended 31 July 2023 together with the Reports of the Directors and Auditors thereon.

The Chairman then advised Shareholders that this Agenda was being tabled for discussion and deliberation and the provision under the Companies Act, 2016 and the Company's Constitution did not require a formal approval of shareholders and no formal motion would be put forth for voting.

The Chairman then opened the meeting for a question and answer session which is detailed under Appendix A which sets out a Summary of Key Matters Discussed which forms part of the minutes of this Annual General Meeting and is attached to this minutes.

Following the conclusion of the Question and Answer session, the Chairman directed the Secretary to record in the minutes that the Audited Financial Statements for the year ended 31 July 2023 together with the Reports of the Directors and Auditors thereon had been tabled and received.

**2. RE-ELECTION OF TAN SRI ABD RAHMAN BIN MAMAT**

The 2<sup>nd</sup> item on the Agenda was to re-elect Tan Sri Abd Rahman Bin Mamat who retired by rotation pursuant to Clause 133 of the Company's Constitution and being eligible had offered himself for re-election.

Tan Sri Chairman voluntarily vacated the chair and with the consent of all members, Ms Fong Jed See, the Senior Independent Non-Executive Director assumed the chair to conduct the proceedings for this Agenda.

The following motion was tabled for consideration as Ordinary Resolution 1 :-

"That Tan Sri Abd Rahman Bin Mamat, a Director retiring by rotation pursuant to Clause 133 of the Company's Constitution be and is hereby re-elected as a Director."

The Chairman highlighted to the shareholders that both the Board's Nomination Committee and the Board had unanimously recommended the re-election of Tan Sri Abd Rahman Bin Mamat as a Director.

As there were no queries or questions raised by shareholders, the Chairman directed that the motion be put to the vote by way of a poll to be taken immediately after all motions on the Agenda had been tabled and any questions dealt with.

At this juncture, Ms Fong Jed See handed the Chair back to Tan Sri who resumed as Chairman.

3. **RE-ELECTION OF DR. GOH KAR CHUN**

The 3<sup>rd</sup> item on the Agenda was to re-elect Dr Goh Kar Chun who retired pursuant to Clause 133 of the Company's Constitution and being eligible had offered himself for re-election.

The following motion was tabled for consideration as Ordinary Resolution 2 :-

"THAT Dr Goh Kar Chun who retires pursuant to Clause 133 be hereby re-elected as Director of the Company."

The Chairman highlighted to the shareholders that both the Board's Nomination & Remuneration Committee and the Board were recommending the re-election of Dr Goh Kar Chun as a Director.

As there were no queries or questions raised by shareholders, the Chairman directed that the motion be put to the vote by way of a poll to be taken immediately after all motions on the Agenda had been tabled and any questions dealt with.

4. **DIRECTORS' FEE**

The 4<sup>th</sup> item on the Agenda was to approve of the payment of Directors' fees of RM417,704.00 for the financial year ending 31 July 2024 payable quarterly in arrears after each month of completed service of the Directors during the financial year.

The following motion was tabled for consideration as Ordinary Resolution 3:-

"THAT the payment of Directors' Fee of RM417,704.00 for the financial year ending 31 July 2024 payable quarterly in arrears after each month of completed service of the Directors during the financial year be and is hereby approved."

As there were no queries or questions raised by shareholders, the Chairman directed that the motion be put to the vote by way of a poll to be taken immediately after all motions on the Agenda had been tabled and any questions dealt with.

5. **DIRECTORS' BENEFIT**

The 5<sup>th</sup> item on the Agenda was to approve the payment of Directors' benefit amounting to RM32,000 for the period commencing after the date of this Annual General Meeting to the date of the next Annual General Meeting in 2024.

The following motion was tabled for consideration as Ordinary Resolution 4:-

"THAT the payment of Directors' Benefit amounting to RM32,000.00 for the period commencing after the date of this Annual General Meeting to the date of the next Annual General Meeting."

As there were no queries or questions raised by shareholders, the Chairman directed that the motion be put to the vote by way of a poll to be taken immediately after all motions on the Agenda had been tabled and any questions dealt with.

**6. APPOINTMENT OF AUDITORS**

The 6<sup>th</sup> item on the Agenda was to appoint Auditors and to authorise the Directors to fix their remuneration.

The following motion was tabled for consideration as Ordinary Resolution 5 :-

"THAT MESSRS CROWE MALAYSIA PLT be hereby appointed as Auditors of the Company for the financial year ending 31<sup>st</sup> July 2024 and that the Directors be authorized to fix their remuneration."

As there were no queries or questions raised by shareholders, the Chairman directed that the motion be put to the vote by way of a poll to be taken immediately after all motions on the Agenda had been tabled and any questions dealt with.

**7. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

The 7<sup>th</sup> item on the Agenda under Special Business is to authorise Directors to allot and issue shares pursuant to Section 75 and 76 of the Companies Act, 2016.

The Chairman highlighted that this Agenda, if passed, will provide flexibility for the Company and empower the Directors of the Company from the date of this Meeting until the next Annual General Meeting unless, earlier revoked or varied at a general meeting, to issue shares in the Company up to an aggregate number not exceeding 10% of the issued share capital of the Company at any point of time for such purposes as they consider would be in the best interest of the Company.

The following motion was tabled for consideration as Ordinary Resolution 6:-

“THAT subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 percent of the total number of issued shares of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company (“the Mandate”).

AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 64 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all new shares to be offered and issued pursuant to the above Mandate, such new shares when issued, to rank pari passu with existing issued shares in the Company.”

As there were no queries or questions raised by shareholders, the Chairman directed that the motion be put to the vote by way of a poll to be taken immediately after all motions on the Agenda had been tabled and any questions dealt with.

As all motions for the 8<sup>th</sup> Annual General Meeting had been tabled, the Meeting would proceed with the poll voting on all the resolutions tabled immediately and the Chairman requested the Secretary to brief the members present on the instructions for completing the poll form and depositing of the forms into the poll box.

After briefing by the Company Secretary on the instruction and procedure to complete the poll form, the Chairman requested members to cast their votes and to deposit their poll votes into the ballot boxes. Thereafter the Chairman adjourned the meeting at 10.15 a.m. for members to cast their votes and for the poll votes to be counted by the Poll Facilitator in the presence of the Scrutineer appointed.

The Chairman then called the Meeting to order at 10.45 a.m. after being informed of the availability of the poll results. The results of the poll voting tabulated were projected and disclosed to the meeting as follows:-

**RESULTS OF THE POLL VOTES ON RESOLUTIONS TABLED AT THE 8<sup>TH</sup> ANNUAL GENERAL MEETING ON 21 DECEMBER 2023**

RESOLUTION	FOR		AGAINST	
	No. of shares	%	No. of shares	%
Ordinary Resolution 1 – Re-election of Tan Sri Abd Rahman Bin Mamat	24,496,550	99.9992	200	0.0008
Ordinary Resolution 2 – Re-election of Dr Goh Kar Chun	24,496,500	99.9992	200	0.0008
Ordinary Resolution 3 – Approval of Directors' Fees	24,496,550	99.9992	200	0.0008
Ordinary Resolution 4 – Approval of Directors' Benefit (for the period from 8 <sup>th</sup> AGM to 9 <sup>th</sup> AGM)	23,496,550	95.9170	1,000,200	4.0830
Ordinary Resolution 5 – Appointment of Auditors	24,496,550	99.9992	200	0.0008
Ordinary Resolution 6 – Authority to issue share	24,496,650	99.9996	100	0.0004

Based on the results of the poll, the Chairman declared that all the 6 motions tabled had been carried and passed with the respective majorities as detailed above.

**TERMINATION**

There being no other business the Meeting terminated at 10.50 a.m. with a vote of thanks to the Chair.

***C O N F I R M E D***

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TAN SRI ABD RAHMAN BIN MAMAT  
CHAIRMAN

Dated : 21 December 2023

## Appendix A

*(which forms part of the Minutes of 8th Annual General Meeting)*

**SUMMARY OF KEY MATTERS DISCUSSED DURING THE 8TH ANNUAL GENERAL MEETING (“AGM”) OF MCE HOLDINGS BERHAD DULY CONVENED AND HELD AT THE DIAMOND 1, LEVEL 10, HOLIDAY VILLA JOHOR BAHRU CITY CENTRE, NO. 260, JALAN DATO’ SULAIMAN, TAMAN ABAD, 80250 JOHOR BAHRU, JOHOR ON THURSDAY, THE 21<sup>ST</sup> DAY OF DECEMBER 2023 AT 9.30 A.M.**

The following key matters were transacted:

### **UNDER AGENDA 1 - AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2023**

#### **Questions raised by Minority Shareholder Watch Group**

During the AGM, the Chairman informed the shareholders present that the Company had received a letter dated 12 December 2023 from the Minority Shareholder Watch Group (“MSWG”).

The Chairman requested the Group Managing Director to present the questions/queries raised by MSWG together with the Board and management’s response for the benefit of shareholders present at the AGM as follows:

#### **Operational & Financial Matters**

- 1. Both operational facilities in Johor Bahru, Johor and Pelabuhan Klang, Selangor are logistically well located to enable MCE Group to stay connected with domestic customers as well as supporting overseas business and export activities via the major air and sea ports in Malaysia. The Group recorded total revenue of RM154.89 million (FY2022: RM105.82 million), marking a significant increase of approximately 46.37% as compared to preceding year. (pages 42 & 44 of AR2023)**

**How much of the Group’s revenue were export sales? What are the Group’s plans in terms of expanding its supply of automotive parts to overseas?**

- a) Total export sales are currently less than 10% which include sales directly exported by the Group and indirect export comprised of products sold to global sourcing arm of car maker in Malaysia in MYR and they will export to their other production plants in overseas e.g. Thailand, Indonesia, Philippine, Brazil, etc.
  - b) The Group receive quite a number of RFQ from other countries recently and hopefully we can secure some of it. Besides this, the Group is also actively working with the global sourcing centre in Malaysia to increase the sales for indirect export and is also working with a business partner in Indonesia to expand our export business to Indonesia. We have also entered into a MOU with a business partner in India announced on 5 Dec 2023, to venture into the Indian automotive market.
- 2. On 6 October 2023, the Group announced that MCE VENTURES SDN. BHD., a wholly owned subsidiary has entered into a Share Sale Agreement (“SSA”) with FORTECHGRP CO., LTD (“FORTECH”) to acquire an additional 51% equity interest comprised of 3,060,000 ordinary shares in Fortech Technologies (Malaysia) Sdn. Bhd. (“FTMSB”) for a total cash consideration of RM979,200. The Acquisition will allow the MCE Group to increase its equity percentage in FTMSB from 29% to 80% and continue its direction to diversify its income stream in the business of manufacturing and supply of automotive camera and audio-visual related products. (page 45 of AR2023)**

- a) **Assuming that the Group had completed the acquisition of FTMSB as at 31 July 2023, what would have been the contribution of FTMSB to the Group's top and bottom line?**

The Covid-19 pandemic started a few months after we incorporated FTMSB and caused delays and disruption to our initial plans to lobby for camera business. After the resumption and recovery from the Covid-19 pandemic, the Group had been actively pursuing potential customers to secure contracts for the camera business. We successfully secured 1(one) project from a local car maker which marked the start of our maiden project for the new venture. The contribution is not significant at the moment but we expect to secure more projects with this track record.

- b) **Upon completion of the acquisition, what are the liabilities, contingent liabilities and/or guarantees to be assumed by the Group?**

FTMSB is a new start up with low volume of business transaction at the moment. Hence, there were no material liabilities, contingent liabilities and/or guarantees to be assumed by the Group.

- c) **Does the Group expect to incur any additional financial commitment on FTMSB's business for financial year ending 2024?**

As stated, FTMSB is a new start up with low volume of business transaction at the moment. We don't expect to incur any additional material financial commitment on FTMSB in FY 2024.

**3. Investment in subsidiaries (Note 5, pages 79 & 80 of AR2023):**

- i) **In the previous financial year, Multi-Code Electronics Industries (M) Berhad ("MCEI") had incorporated a wholly-owned subsidiary, MCE EV Solutions Sdn. Bhd. ("MESSB") with an initial issued and paid-up capital of 1 ordinary share issued at a price of RM1.00 per share. Subsequently, MCEI acquired additional 2,499,999 new ordinary shares of MESSB for a total consideration of RM2,499,999.**

- ii) **In the previous financial year, MCE Ventures Sdn. Bhd. ("MVSB") had incorporated a wholly-owned subsidiary, GEM Technologies Sdn. Bhd. ("GTSB") with an initial issued and paid-up capital of 1 ordinary share issued at a price of RM1.00 per share. Subsequently, MVSB acquired additional 599,999 new ordinary shares of GTSB for a total consideration of RM599,999.**

- a) **For the FYE 31 July 2023, both MESSB and GTSB are dormant despite the abovementioned capital injection into these 2 subsidiary companies. When will MESSB and GTSB commence operations? What will be their principal activities?**

We had obtained Manufacturing License and World Manufacturer Identifier ("WMI") which allows us to assemble electric motor cycles. Our plan is to venture into the electric vehicle via 2 wheeler assembly as it will complement our existing auto part business and provide us with a track record for EV related business.

As of now, we are in the midst of lobbying for business and target to bring in the facilities in Q4-FY 2024.

- b) **To what extent will MESSB and GTSB contribute to the Group's revenue for financial year ending 2024?**

Refer to our reply in (a), barring unforeseen circumstance the business is expected to commence in Q4-FY2024. The contribution is not expected to be material for FY 2024.

**Further questions raised**

During the AGM, the following questions were raised:

**1. What is the impact of the latest news on Toyota's Daihatsu to halt all vehicle shipments, in widening safety scandal.**

The latest news on Toyota's Daihatsu to halt all vehicle shipments, in widening safety scandal was only released last night. The Management had contacted the main customers, Perodua and Toyota for further clarification. The President and chief executive of Perodua, Datuk Seri Zainal Abidin Ahmad had announced that Perodua is conducting the detailed assessment on the suspension of all shipments of partner Daihatsu Motor Co Ltd via The Star's press released.

Management will be closely monitoring developments while in the meantime there will be no change to the production plan. MCE will continue supplying parts to their customers and business is being carried out as usual.

**2. Can management share on the expansion plans in Rawang or any further related developments?**

Currently, the Group is in the planning stages of constructing its 3rd manufacturing plant on a piece of land acquired by the Group located at UMW High Value Manufacturing Park, Serendah, Selangor. The Group's 3rd manufacturing plant encompasses larger production area, together with office and warehouse areas, with an estimated total built up area of approximately 117,000 sq. ft. In relation to the Group's existing manufacturing facilities, this new manufacturing plant will be equipped with more advanced industrial facilities, such as higher standard of dust and anti-static contract.

Barring any unforeseen circumstances, the construction of the 3rd manufacturing plant is expected to be completed in year 2025. It will increase the manufacturing and storage capacities of the Group, as well as improve the production capabilities of the Group to cater for wider range and more technological sophisticated products. The Group intends to venture into manufacturing of more technological sophisticated products such as meter cluster, touch panel screen controller, infotainment as well as electric vehicle related parts and components as and when business opportunities arise.

Currently, the 3rd manufacturing plant is under tendering process to award contract to commence construction.

**3. Why was the profit margin of the Company recorded at quarterly results released earlier at 8% (reduce by 4% to 10%).**

The profit margin of the Company will be subject to change based on different sales mix in term of product and/ or customer as different customers and/ or products will contribute different type of margin. Besides, Management had make additional provision for staff benefits in the final quarter based on the Group's financial performance.

**4. There was an asset held for sale disclose in the quarterly results for the quarter ended 30 April 2023. Subsequently, this asset was re-classified. Can you explain.**

During the quarter ended 30 April 2023, the Company intended to dispose the land henceforth that property was adjusted to land held for sale under current asset. However, subsequently, the plans was not materialised and it was therefore re-classified under fixed asset.

The land was purchased initially for the purpose of development of a healthcare centre. However, due to opportunities presented and changes in circumstances, the Company decided to focus its resources in the automotive sector which is our core business and strategically presented better prospects and we slowed down health care centre planning.